

Item # _____

Prepared by: Gaye Davis/Lee Hinson

Commissioner: _____

Approved by: _____

RESOLUTION APPROVING A LEASE AGREEMENT WITH VALERO MKS LOGISTICS L.L.C. ("VALERO"), AS APPROVED BY THE BOARD OF COMMISSIONERS OF THE MEMPHIS AND SHELBY COUNTY PORT COMMISSION ON JULY 24, 2008. SPONSORED BY COMMISSIONER WYATT BUNKER.

WHEREAS, the Valero MKS Logistics L.L.C., ("Valero"), has requested that the Memphis and Shelby County Port Commission lease certain lands to it located on Presidents Island, such lands being more particularly described in the Lease Agreement attached hereto; and

WHEREAS, Valero has proposed to use the leased lands to construct and install underground pipelines for the transmission of petroleum products; and

WHEREAS, the term of the proposed Lease Agreement is for a period of five years with three additional terms of five years each; and

WHEREAS, the annual rental for the first five year period is \$40,000.00 with increases for additional periods as described in the attached Lease Agreement; and

WHEREAS, said proposed Lease Agreement is in the best interest of the Memphis and Shelby County Port Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, on recommendation of the Memphis and Shelby County Port Commission, that the proposed Lease Agreement with Valero be and hereby is approved.

BE IT FURTHER RESOLVED, That the Mayor of Shelby County is hereby authorized to execute same.

BE IT FURTHER RESOLVED, That this action is subject to concurrence by
City of Memphis.

A C Wharton, Jr.
County Mayor

Date_____

Attest:

Clerk of County Commission

ADOPTED_____

SUMMARY SHEET

- I. Description of Item:** Resolution approving a lease agreement with Valero MKS Logistics L.L.C. (“Valero”), as approved by the Board of Commissioners of the Memphis and Shelby County Port Commission on July 24, 2008.

II. Source and Amount of Funding

This is a lease agreement. The Lessee pays rental to the Port Commission as Lessor.

III. Contract Items

- A. Type of Contract: Lease Agreement
- B. Terms: The term of the proposed lease is for a period of 5 years and with three additional terms of five years each.

IV. Additional Information Relevant to approval of this item

Valero MKS Logistics L.L.C. (“Valero”) will use this leased land to construct and install an underground pipeline to transport petroleum products to Exxon Mobil Corporation. Valero and T E Products Pipeline Company, (“TEPPCO”), will be digging a trench on this leased property and will be constructing pipelines at the same time in the same trench using the same contractor. Valero as Lessee will pay \$40,000 annually for this lease agreement. The rental will be adjusted annually by utilization of the Consumer Price Index.